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THE PAYNE TARIFF TAX BILL

The consumers of our country are as heavily burdened at present by protection as the people of France were oppressed by taxation before the revolution, and the only hope of relief lies in the downfall of the Republican party.

I am unalterably opposed to putting any more burdens on the poor man's breakfast table. If additional revenues are necessary to promote the general welfare of the Government, I want to raise, in so far as possible, these additional revenues by taxing idle wealth and not honest poverty. Let us make wealth as well as toil pay its just share of the expenses of the Government. We must tax wealth and not poverty. We should legislate for all the people and not for the greedy few.

SPEECH

OF

HON. WILLIAM SULZER

OF NEW YORK

IN THE

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 31, 1909



WASHINGTON

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SPEECH
OF
HON. WILLIAM SULZER,

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes—

Mr. SULZER said:

Mr. CHAIRMAN: In discussing the Payne tariff tax bill now under consideration, I meet the subject impartially, with an open mind, and without political prejudice. What I shall say in the matter is based on much study, careful observation, and sincere conviction. I have no ax to grind, no corporate taskmasters to serve. I represent no interests on the floor of the House of Representatives but the people's interests. I am for the greatest good to the greatest number; I speak for the plain people of the land, for the wage-earners, for the producers, and for the consumers of our country. These good people have no lobby here, but they are sorely in need, it seems to me, at this critical time, of friends and advocates in Congress. They are the people who pay the taxes, and they have some rights, in my opinion, that the Congress should protect and safeguard in framing the tax laws of the country.

The honest folk of my district ask for no special legislation; they seek no governmental aid; they invoke the infliction of no tyrannical tax at the expense of all the other people of the land. They demand equal rights to all and the same opportunities for all. They insist on impartial justice to all the people in every section of the country in all national legislation, especially when it comes to that most important of all law making—tariff taxation.

Sir, I am proud of my constituency. I shall always fight for their rights. I glory in the fact that the people of the district I have the honor to represent on the floor of the Congress of the United States believe in equal rights to all and special privileges to none. I stand on that platform, and in Congress or out of Congress I shall always strive to do my best to live up to that fundamental principle, which, in my opinion, is the abiding hope of America; and always was, and I trust ever will be, the star of inspiration of the greatest and the grandest people recorded in all the glorious annals of time. [Applause.]

Mr. Chairman, the Ways and Means Committee has been in session for many months endeavoring to frame a new tariff tax law. Its members, we are told, have labored most industriously, but what have they brought forth? Like the mountain in the fable, it seems to me, the Ways and Means Committee has labored and brought forth a mouse in the shape of the Payne bill—a miserable makeshift and the merest apology for real tariff reform. There is not a line in the Payne tax bill

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that will give relief to the overburdened taxpayers of the country. There is not a schedule in all the voluminous measure that will give hope for a reduction of taxes on the necessities of life to the oppressed consumers of the land. It is true, however, that here and there a slight reduction is made in the tariff taxes on certain trust-made articles, but wherever a reduction has been made in any schedule the tax is left sufficiently high to afford ample protection to the special interests, and in most cases the tax is still prohibitive. So that the Government will receive no more revenue by reason of the fact that certain schedules in the present law have been slightly reduced in the Payne bill.

As a matter of fact, the Payne bill imposes additional taxes on the necessities of life to a greater extent than any tariff bill every submitted to Congress. I have made a careful comparison between the schedules of the Dingley law, now on the statute books, and the Payne bill, now under consideration, and in my opinion the present tax law, bad as we know it to be, is much better for the people of the country, take it all in all, than the bill now before the House would be if it were enacted into law in its present shape. In the face of the contrast no friend of the people can consistently support this measure. Its injustice to the consumers of the land will be its own undoing. There is no agitator so successful as injustice, and the bill now under consideration is the most unjust and the most vicious tax bill in all our history, and if it became a law just as it is, the people all over the country would promptly demand its repeal. [Applause on the Democratic side.]

Sir, the debate thus far in this House on the Payne tax bill has impressed me with the farsighted wisdom of the observation of a former Democratic candidate for the Presidency—that the tariff is a local issue. This is essentially true so far as the selfish beneficiaries of the tariff are concerned. But in a larger sense this is not so, for the reason that in the last analysis the tariff affects all the people, and the people in the end pay all the tariff taxes, regardless of the profits and the advantages to the beneficiaries.

After all, tariff taxation is largely a question of whose ox is gored. What a spectacle is witnessed here in the construction of this tariff bill! From one end of the country to the other we hear the insistent demand of the selfish beneficiaries of protection clamoring for more protection. They are never satisfied. Like the horse leech, they never get enough. If the greedy beneficiaries of the protective tariff could have their way the tariff taxes would be practically prohibitive, and the Government then would derive little, if any, revenue from tariff taxation. We can make the tariff rates so high that there will be no importations, and then no revenue will flow into the Treasury of the Government. That seems to be the policy to-day of the Republican leaders in the House, so far, at least, as many schedules in the Payne bill are concerned.

Mr. Chairman, we know to-day, beyond all contention, that the tariff is a tax; and, beyond all dispute, that the consumers pay the taxes. The most hidebound standpatter dare not now dispute this proposition. Ultimately all the burdens of protective taxation fall upon the consumers of the country. Protec-

tion for protection's sake is a system of indirect taxation which robs the many for the benefit of the few—a policy which levies tribute on the masses for the classes. No party that stands for the best interests of all the people can support it, especially where it fosters trusts, shelters monopolies, and saddles the great burdens of government on the farmer, and the toiler, and the wage-earner of the country. Protection for protection is robbery—undemocratic, un-American, unconstitutional, and absolutely indefensible. [Applause on the Democratic side.]

The Republicans told us last fall that they would revise the tariff schedules of the Dingley law downwards; that they would reduce the tariff taxes; but the Payne bill does not do it. On the contrary it increases taxation and is a revision upwards. The Payne bill demonstrates the hollowness of Republican promises when it comes to tariff-tax reductions on the necessities of life.

The people of the country were promised by the Republicans in the last campaign that if they were returned to the control of the Government they would revise the tariff taxes in a spirit of justice to all; that they would reduce the tariff taxes on the necessities of life in order to lighten the burdens of the consumers and cheapen the cost of living; but the Republicans in this House have not done so. On the contrary the Payne bill increases the taxes on the necessities of life all along the line, and is worse in many respects than the present Dingley law. Most of the schedules in the Payne bill are higher than the schedules in the Dingley law.

I assert without fear of successful contradiction that the Payne bill in its present shape will grant no relief to the overburdened taxpayers of the country—and no hope to the oppressed consumers of the land. It is the highest tax measure on the necessities of life ever submitted to Congress. If I thought for one moment that the Payne bill in its present shape could become a law I would despair of ever getting relief for the ninety millions of consumers of our country; but I know from long experience in the House of Representatives that there is no more chance for the bill under consideration to become a law in its present shape than there is for the stalwart chairman of the Ways and Means Committee to be translated to another world like Elijah of old. [Laughter and applause.]

The truth of the matter is that sooner or later the Payne bill will pass the House in some shape; it will then go to the Senate; it will be debated and amended there for a month or more; it will then be passed by the Senate; and when it comes back from the Senate the Republican leaders in the House will not be able to recognize it. Then it will go to conference, and the conferees of the two Houses will finally write the tariff taxes the people must pay; and the bill will then be passed and sent to the President under the whip of the party caucus, and, by the spur of a special rule, with practically a solid Republican party vote.

That is the way the next tax law will be made. The Senate Finance Committee is holding meetings and writing a new bill now. A few select Republican Senators, with the aid of eminent trust lawyers, are busy at present preparing an entirely new bill, and it will be ready to be substituted in the Senate for the House bill just as soon as the House bill gets to the

Senate. What the bill will be like when it ultimately goes to the President for his approval or disapproval is beyond the prophetic wisdom of the finite mind. But, good or bad, when it is finally written on the statute books, it will be a Republican law, and the people will hold the Republican party responsible for its enactment.

Mr. Chairman, I am absolutely opposed to the Payne tariff tax bill. It is an imposition on the people. It is a mockery and a sham. It is legalized robbery. It is the highest protection measure ever introduced in Congress. It increases the taxes on every necessary of life. It saddles additional burdens on the oppressed taxpayers of the land beyond the calculation of the human intellect. It is against the people and for the trusts and in the interests of the monopolies. It protects idle wealth, and heaps high the burdens of Government on the poor man's breakfast table. It discriminates against the many for the benefit of the few, and violates every principle of equality, and of justice, and of democracy. It is a revision of the tariff taxes upward and not downward. It repudiates the platform of the Republican party. It scorns the promises and laughs at the professions made by President Taft to the people in the last campaign. It is a protection measure from end to end. It is for the trusts, and the trusts are for it. No monopoly in the country is opposed to it. No standpatter repudiates it. The measure is quite satisfactory to every interest but the interest of the plain people who must pay all the taxes in the long run. It is a bill to tax poverty and not wealth, and if it ever becomes a law in its present shape it will be the saddest disappointment of the century to the American people. The people have asked for bread; the Republicans now give them a stone.

Mr. Chairman, I was in great hopes that the Payne bill would meet the anxious expectations of the taxpayers of our country. I had indulged the hallucination that the Republican leaders in Congress would rise to the occasion, keep their promises, and give the people of the country a genuine revenue reform law that would do substantial justice to the consumers, to the wage-earners, and to all interests concerned. I expected to see idle wealth, as well as honest toil, compelled to pay its just share of the burdens of government. To-day idle wealth practically escapes taxation, and it receives more governmental protection than any other single thing in all the land. At present idle wealth contributes practically nothing to the support of the Government, while honest toil contributes far more than its just share. [Applause.]

The Payne bill is unjust in its discrimination against the toilers; it is unfair in its impositions on the producers; and it is unconscionable in its tyranny to the consumers of the country.

After making a most careful comparison of the schedules contained in the iniquitous measure now before the House, known as the "Payne bill," with those on the statute book, known as the "Dingley law," I say, and I defy successful contradiction, that so far as the consumers and the taxpayers of the land are concerned this Payne bill is infinitely worse, and a great deal more detrimental, than the present Dingley law. In other words, the Payne measure increases the taxes on the necessities of life all along the line, and I am unalterably opposed to putting any more burdens on the poor man's breakfast table. If additional

revenues are necessary to promote the general welfare of the Government I want to raise, in so far as possible, these additional revenues by taxing idle wealth and not honest poverty. Let us make wealth as well as toil pay its just share of the expenses of the Government. We must tax wealth and not poverty. We should legislate for all the people and not for the greedy few. [Applause on the Democratic side.]

Sir, it was with much satisfaction that I listened last year to the promises of the Republicans that they would frame a new tariff tax bill to materially reduce the burdens of the ordinary householder, but they have not done so, and I confess I am greatly disappointed. The Payne bill is a shallow pretense. I had indulged the hope that these reductions would be accomplished by writing in the bill a provision for a graduated income tax and a graduated inheritance tax. I am in favor of this kind of a tax. There is no doubt in my mind that such a tax can be enacted into law along constitutional lines and to meet the decisions of the United States Supreme Court. A graduated income tax is the fairest and most equitable tax in all the world, and nearly every civilized country on earth derives most of its revenue from a system of taxation on incomes. [Applause on the Democratic side.]

Mr. Chairman, the Payne bill is a bill for class taxation in the most inequitable form. "There is no tyranny," says Goldwin Smith, in his *Study of History*, "so constant, so searching, so hopeless; no tyranny which so surely makes the people its victims, as class taxation." The Payne bill is class taxation run mad. It is against the many, and all for the few. It is the most vicious tax bill ever considered in America. I can not bring myself to believe that the Payne tax bill can possibly pass Congress in its present shape. Comparing it with the tariff tax bills of the past, I have no hesitancy in saying that the Payne bill is the worst tax measure ever submitted to Congress; and if it became a law in its present form, it would inflict irreparable injury to most of our industries, paralyze our commerce, exterminate our export trade, compel us to issue bonds in time of peace to raise revenue for the support of the Government, and saddle on the poor man's breakfast table burdens beyond the comprehension of the ordinary intellect. It would start no new industries, create no additional revenue, furnish no avenues for greater employment of labor. All that can be claimed for it is that it will make the selfish beneficiaries of the protective-tariff system a little richer at the expense of all the consumers of the land.

Sir, I trust the bill will be materially amended before it becomes a law. I have a number of important amendments I desire to offer, and I am confident if I am allowed to offer them they will be adopted. The question is, however, whether the members of the minority in this House will be permitted by the Speaker to submit amendments to perfect the bill. We are entitled to that right. I would like to know now if we shall have that right? I pause for an answer from some Member authorized to speak for the Republican leaders in this House. No one answers; and I am bound to assume that the Republican leaders will deny the Democrats the right to offer amendments to the Payne tax bill. What a farce it all

is, when we consider the framing and the making of the tax laws for the people! [Applause on the Democratic side.]

Mr. Chairman, the Payne tax bill will not curb the plunder of a single trust. It will not destroy monopoly. It will not add a dollar to the public revenue, and more revenue the Government must have. We have a deficit now in the ordinary current expenses of the Government of about \$90,000,000. The appropriations for the next fiscal year are over a billion dollars. It is evident that the gentlemen who framed this Payne bill appreciated the danger that it would not produce sufficient revenue for the expenses of the Government, because they cleverly provided for the sale of \$40,000,000 more of Panama bonds, and authorized the issue of \$250,000,000 of interest-bearing Treasury certificates. Think of that in time of peace! [Applause.]

The framers of the Payne bill were shrewd enough in the interest of the few to provide for forced loans to defray the current disbursements of the Government rather than to lessen the burdens of the consumers by reducing prohibitive duties and thereby making the bill a sufficient revenue producer to defray the expenses of the Government.

Sir, the Payne bill is not a revenue measure. It is a protection bill pure and simple, and the highest tax bill ever submitted to the American Congress. It will not open the ports of the world for an increased sale of our products; it will not raise more revenue; it will not help us get our share of the trade of the Orient or of Central and South America. As Mr. Blaine said on a similar occasion about another tariff bill, there is not a line in it that will open the markets of the world for another bushel of American wheat or another barrel of American pork. [Applause.]

The change of method in the Payne bill in arriving at values of consigned goods will, according to importers, increase the tax duty from 20 per cent to 40 per cent. The average ad valorem duty upon all dutiable imports will not be decreased, and the most oppressive schedules will be continued to burden the people for years to come. Take it all in all the Payne bill is the most idiotic attempt of the century to reform the revenue system of the Government, and accentuates more clearly than talk how the moral cancer of protection has interwoven itself in every fiber of the body politic. The consumers of our country are as heavily burdened at present by protection as the people of France were oppressed by taxation before the revolution, and the only hope of relief lies in the downfall of the Republican party. [Applause on the Democratic side.]

Nearly all of the tax duties proposed to be levied on the consumers of the country by the Payne tariff bill are simply in the nature of a surrender of the taxing power of the people to favored special interests which the Government clothes with power to levy tribute on the great body of our consumers. To illustrate: We will import under the Payne tax bill probably about \$500,000,000 worth of highly protected products which will pay an average ad valorem rate of duty of at least 40 per cent, while the domestic producer, by reason of the prohibitive or restrictive duties of the bill, through the agency of the trusts, will raise to the duty line the selling price

of more than \$10,000,000,000 worth of like domestic products to the consumers of this country. In other words, if the Payne tax bill should be enacted into law in its present shape, it will not only impose high duties upon \$500,000,000 of imports, but in practical effect will permit a few thousand manufacturers in the United States to make 90,000,000 consumers pay them a tribute of \$4,000,000,000 in the enhanced price of their goods. France exempted her nobles in the eighteenth century from taxation, while the peasants and the middle classes defrayed the expenses of government. The Republicans go further, and delegate to a few thousand manufacturers the exclusive privilege of practically taxing for their own benefit every consumer in our land. What an injustice! What an outrage! How long will the people submit to the iniquity? [Applause.]

Mr. Chairman, one of the most important questions before the American people is honest tariff reform along the lines of a material reduction of the taxes on the necessities of life, in order to cheapen the cost of living, and to make wealth as well as toil pay its just share of the burdens of government. I am in favor of a fair, a just, and an equitable revenue system that will support the Government, wisely and economically administered, with equal justice to all and favoritism to none, having a jealous care for our farmers and our toilers. I believe in taxing the luxuries of life and exempting the necessities of life in so far as possible; and to this end, as I have said, I favor a graduated income tax along lines that will obviate any constitutional objection.

Sir, I am in favor of genuine tariff reform in the interests of the consumers of the country and for the benefit of the wage-earners of the land. I am in favor of reducing the tariff taxes on the necessities of life, and wherever they foster trusts or shelter monopolies. I would tax wealth more and toil less. I would reduce the tariff taxes on all goods, wares, and merchandise manufactured in this country and sold cheaper abroad than at home. I would revise the Dingley tariff schedules in a business way in the interests of all the people. The Payne bill violates every principle of democracy. It is the highest protection measure ever attempted to be written on our statute books. It is a bill for protection, for the sake of protection, and not for the sake of revenue. The Payne bill violates the cardinal principle of Jefferson, "Equal rights to all and special privileges to none."

If the Payne bill becomes a law in its present shape it will burden beyond the calculation of the human intellect for years to come the struggling people of our country. During the past ten years the cost of living has increased nearly 50 per cent. The Payne bill will increase the cost of living about 25 per cent more. It taxes every necessary of life from the cradle to the grave. It is a bill to foster monopoly; to make a few rich men a little more prosperous. It will create more trusts. It will take from those least able to pay and give it to those most able to pay. It robs the many for the benefit of the few, and does it all under the cloak of law. It is replete with legal trickery, full of concealed jokers, ambiguous in phraseology, and nearly every schedule contains a subtle discrimination incomprehensible to the ordinary mind.

I am opposed to these unjust discriminations. They must cease. Wealth as well as brawn must be taxed, and pay its just share of the burdens of the Government. I am in favor of true reform in tariff taxation—a revision that will do substantial justice to all interests concerned and not rob the many for the benefit of the few and saddle all the burdens of government on the poor man's back.

The selfishness of the beneficiaries of the protected industries of the country who have waxed fat during the past quarter of a century through the unjust discriminations of Republican tariff policies was never better illustrated than in the Payne bill. Reading the bill in the light of these unjust exactions one is forcibly reminded of Goldsmith's line—"laws grind the poor and rich men rule the law." [Applause.]

Mr. Chairman, for more than ten years the increasing cost of living, mounting higher and higher each succeeding year, has been the most immediate, the most pressing, and the most universally observed fact about economic conditions in this country. During all this period, while the cost of the necessities of life has been growing more and more oppressive, the promise has been held out by the Republicans that when the country got around to tariff revision something would be done to remedy these conditions. And what is the result? The mockery of the Payne bill—to make matters worse instead of better. The people are tired of being humbugged. They have lost confidence in the willingness of invested capital to divide up on an equitable basis with productive labor. Sad experience has taught them better. The tremendous development of the great trusts; the annual multiplication of multimillionaires; the heaping up of what Mr. Roosevelt so aptly called "swollen fortunes;" the systematic overcapitalization of all kinds of enterprises; the consolidation of management and the centralization of ownership; the advancing of prices, in too many cases out of all reason, of the necessities of life—all these things have caused a widespread distrust of the long-heralded philanthropic spirit of the greedy beneficiaries of protection.

Sir, I warn the makers of the Payne tariff-tax bill against the dangers of further unduly imposing on the patience and the credulity and the confidence of the American people. It is a fact which can not be successfully denied that the plain people of the country are greatly dissatisfied with present conditions, and with existing tariff-tax laws. They have been hopelessly demanding relief for years. They are anxiously seeking to escape the tyranny of the selfish beneficiaries of Republican protection. Staggering as they are under the burdens of class taxation, they are greatly disappointed with the provisions of the Payne tax bill. The Members of the House are now hearing from their constituents in no uncertain tones. The Payne bill is the merest pretense. The protests against it are coming in fast and furious from the corn lands of the West, from the cotton fields of the South, from the miners of the Intermountain States, from the people on the Pacific slope, and from the taxpayers and the consumers generally from one end of the country to the other, all crying out against the iniquities of the Payne bill, in which nearly every schedule is written for the few selfish beneficiaries and against the general welfare of all the people.

What would the people of the country say if the Democrats had proposed such an iniquitous measure of class legislation? And what will the people do with the Republican party that has promised so much relief, and now proposes to grant practically nothing, but on the contrary is striving to make the burdens of the people greater and heavier than they ever were before? As I have said, I do not believe the Payne tariff-tax bill can be enacted into law in its present shape. I hope for better things ere this session of Congress adjourns; but if it were, it would be the tax crime of all the ages, and would doom the Republican party in the next campaign to the most signal defeat in all our history, and bring about a Democratic Congress and a few years hence elect a Democratic President. [Applause on the Democratic side.]

Mr. Chairman, the Republicans in season and out of season have boasted for years of the beneficent effects of the Dingley tax law, which is now the existing revenue tax statute, and which the Payne bill is intended to repeal and supersede. I have never been able to appreciate the beneficence of the Dingley law. I was a Member of Congress when it passed, and I am glad to say I voted against it. It is a protection measure from beginning to end, and the highest protection measure ever considered by Congress, with the exception of the Payne tariff bill which we are now discussing. It has created more trusts and fostered more monopolies than any other agency in all the country. I deny the claim of the Republicans that the Dingley law brought prosperity to the people. The record of events proves the contrary. The Dingley law has benefited no one save the greedy beneficiaries of high protection. It has increased the cost of living nearly 50 per cent and saddled the burdens of government on those least able to pay. For more than a year after its enactment it paralyzed industrial America, threw men out of employment, and failed to produce enough revenue to administer the affairs of the Government. The so-called prosperity the country enjoyed from 1899 to 1908 was due to the Spanish-American war, and to the increase in the volume of the currency, and not to the Dingley law; and the Democrats in Congress are entitled to much of the credit of enlarging the volume of currency and for precipitating the Spanish-American war and bringing about the liberation and the freedom of Cuba. The record of Congress proves it conclusively. It can not be successfully denied. [Applause on the Democratic side.]

Sir, it can not be claimed by anyone familiar with the facts that the country is now enjoying unparalleled prosperity, and the Dingley law is still on the statute books. We are just emerging from the shock of one of the greatest panics the country has ever experienced; a financial crisis which shook the very foundations of industrial America; that caused a shrinkage of values of nearly 40 per cent; that threw 5,000,000 toilers out of employment; that closed half the factories in the country; a financial convulsion caused by the incompetency of Republican administration; and that started free bread lines and opened free soup houses in every large city in the country. The Republicans are responsible for the recent hard times; for the present financial depression; for the millions of honest workmen now tramping the country seeking employment; for the

uncertainty and the stagnation of business; for the woe, and the want, and the misery, and the poverty that stalk the land; for the free bread lines and free soup houses; for the clouds that have darkened the home of nearly every family in the Republic with sadness and destitution. [Applause on the Democratic side.]

I ask the friends of the Dingley law if it is responsible for these conditions? There are now, I am reliably informed, over 200,000 working people out of employment in the city of New York; and, according to the testimony of John Mitchell, over 5,000,000 of toilers are out of employment in the United States; and in the face of this tremendous indictment of misrule and incompetency of the party in power I would like to know what has become of the boasted prosperity of the Republicans, and the beneficent advantages of the policy of protection? Wonderful prosperity, indeed, when millions of honest workingmen are tramping the country from one end of it to the other seeking employment to earn an honest livelihood for themselves and their families! If that is the kind of prosperity the Dingley law has given America, what shall we expect from the Payne tariff tax bill if it should become a law in its present shape—a bill which in every line and in every feature and in every schedule is infinitely worse than the Dingley law?

Mr. Chairman, it is my opinion, based on careful study and long observation, that all raw material essential to our industries and to our manufacturers should be admitted free, to enable this country to compete successfully with the manufacturers of the world. I believe that all raw material imported into the United States should come in free and be on the free list. I know it will aid the manufacturer and benefit the wage-earner. It follows like the night the day that the more free raw material, the more will be imported; the more that is imported, the more will be manufactured; the more manufactured, the more mills and the more factories; the more factories and the more mills, the more men will be employed; the more men employed, the more wages will be paid, and the more wages paid the happier the hearthside, the more prosperous the wage-earner, and the more contented the family.

Sir, I want to reduce as much as possible the taxes on all agricultural implements in the interest of our trust-burdened farmers. Nearly all agricultural implements are sold by the American manufacturers cheaper abroad than at home. I favor putting lumber on the free list to lessen the cost of building American homes, and to conserve for future generations our natural forests. I demand that coal be placed on the free list so that the coal trust shall have some competition and no longer be able to oppress the poor. I am in favor of putting hides, boots and shoes, and iron and steel on the free list. These things need no protection, and putting them on the free list will materially reduce their cost to the American consumer. I am in favor of placing on the free list, or reducing to a very large extent, the taxes on all kinds of gloves, hosiery, underwear, and clothes, and all cotton goods and woolen goods. All these wares are essential necessities of life and they should be on the free list, or the tax on them should be very materially reduced. [Applause on the Democratic side.]

In the schedule devoted to cotton goods and yarns there has been no material decrease in tax duties; but there has been an increase of duty on mercerized fabrics, and an increase of duty on gloves and hosiery so great as to amount to almost a prohibition of imports. The cruel wool and woollen schedules of the existing law remain unchanged except as to a slight reduction in carpet wools. These high taxes on woollen goods of every description continue on an average of from 100 to 200 per cent; and window glass, now made in this country more cheaply than anywhere else in the world by the use of recently patented machinery controlled by a trust, remains still protected by duties of from 80 per cent to 200 per cent. It is a crime against the poor to tax so high these necessities of life.

Mr. Chairman, I am in favor of a free breakfast table. [Applause on the Democratic side.] I shall fight to the last to put tea and coffee back on the free list. It is an outrage to put a tax, as the Payne bill does, of 8 cents a pound on tea and 3 or 4 cents a pound on coffee. These taxes are only imposed in time of war. The poor people of the country will never submit to the extortion in time of peace in order to benefit a few monopolistic tea and coffee importers in the city of New York, who will make millions of dollars by the imposition. [Applause.]

Sir, if we are true to the best interests of the consumers of the country we will place tea, and coffee, and cocoa, and sugar, and spices, and sirups, and molasses, and rice, and all meats, and all breadstuffs, and all mineral waters, and fruits of every description, especially lemons, grapes, oranges, bananas, and pineapples, on the free list, or materially reduce the taxes on them. It is a crime against humanity to raise the taxes for the running expenses of the Government on these necessities of the people. They should be free of customs taxes. They should be made as cheap as possible to all the people. I am especially opposed to the increased tariff taxes of the Payne bill on lemons, pineapples, and grapes. The adoption of the schedules on these articles without amendment would work hardship upon the consumers at large while diminishing the revenue of the Government. It is erroneous to class fruit of this description as luxuries. Thousands of persons eat fruit daily, and have come to regard it as one of the necessities of life. Medical authorities agree that the vast increase in the consumption of fruit in recent years has greatly improved the public health. If the tariff duties be raised so high as to exclude the fruit products of foreign countries, an increase in the price of domestic-grown fruit will naturally follow, and many people will be deprived of a wholesome article of food to their discomfort and the detriment of the public health. I shall make every effort to amend the fruit schedules, and the bread and meat schedules, and the tea and coffee and sugar schedules, and the cotton goods and woollen goods schedules, and the breakfast-table schedules of the Payne bill all along the line, so as to protect the rights of the public.

Mr. Chairman, the Payne tariff-tax bill is not only class-tax legislation of the worst kind, but it is sectional-tax legislation in the most iniquitous form. It lays the whole country under tribute to the manufacturers of New England. The framers of the bill have taken special care of the interests of the highly protected manufacturers of the New England States and of

the State of Pennsylvania; they have looked after special protected interests here and there in a few other places; but take the bill all in all it does very little for the people of the country generally; very little for the people in the Southland; very little for the people in the corn lands of the Mississippi valley; very little for the people on the Pacific coast. In these sections are the great producing people of the country; they have interests to protect, too; they sell all they raise in the cheapest markets of the world, and in competition with all the producers of the earth; and everything they are compelled to buy they must buy here in the dearest market in the world. [Applause on the Democratic side.]

The South raises cotton, and the cotton is shipped to the manufacturers in New England, where the raw material is made into cotton fabrics, and sold to the people of the South at a profit of from 100 to 200 per cent. Is it any wonder the South is poor? Will it never learn? The people in the corn lands of the great West sell their wheat in competition with all the world, and everything they buy they must purchase in the most highly protected and the dearest market on the earth. Will they never heed the lesson? Cotton-goods statistics show that American cotton mills do not need any protection on the goods they are equipped to produce. In neutral markets they have so well been able to compete that their exports have rapidly grown, and in 1906 equaled \$52,944,033. These mills make precisely the class of goods which the Payne bill is designed to prohibit from importation. American mills do not sell their products on an ordinary profit basis, but adroitly fix their prices just below those at which similar goods can be imported.

So, sir, the net result, if the Payne bill is permitted to become law, will be to greatly reduce revenues by prohibiting importation, and to permit a few New England mills to manipulate prices at will, and to repeat their action of 1907, when they arbitrarily raised prices more than 50 per cent, although there was no corresponding increase in wages or in the cost of production. The Payne bill will drive many importing houses in cotton goods out of business; work a hardship on 23,000 American retail cotton-goods merchants, and add an additional burden to the whole American people by increasing the cost of one of the chief necessities of life. The people are united in the conviction that the tariff taxes on cotton and woolen goods of all kinds should be reduced rather than raised.

President Taft said on December 16 last: "I believe that the way to stamp out trusts and monopolies is to avoid excessive rates which tempt monopolies." The Payne bill flies in the face of this statement. An average tariff of 20 per cent on cotton fabrics is ample to protect American manufacturers from any possible difference in cost of production; and if the tax were so reduced its only effect would be to compel them to run their mills on a fair capitalization and charge reasonable profits to the consumers.

Mr. Chairman, I hold in my hand the last and the best speech of William McKinley, delivered at the Pan-American Exposition in Buffalo on September 5, 1901. In that remarkable address, with a farsightedness most prophetic in the light of present conditions, President McKinley said:

"The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars

are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not. If, perchance, some of our tariffs are no longer needed for a revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad? Then, too, we have inadequate steamship service. New lines of steamers have already been put in commission between the Pacific ports of the United States and those on the western coast of Mexico and Central and South America. These should be followed up with direct steamship lines between the eastern coast of the United States and South American ports. One of the needs of the times is direct commercial lines from our vast fields of production to the fields of consumption that we have but barely touched. Next in advantage to having the thing to sell is to have the convenience to carry it to the buyer. We must encourage our merchant marine. We must have more ships. They must be under the American flag, built and manned and owned by Americans. These will not only be profitable in a commercial sense; they will be messengers of peace and amity wherever they go."

Mr. Chairman, I concur in these eloquent words of the martyred President—words that have done much to open the eyes of the American people to the selfishness of protection and to the iniquities of our shortsighted policy concerning our foreign commerce and our deep-sea carrying trade. For years I have been advocating freer and more intimate trade relations with Canada on our north, and with Mexico, Central and South America on our south; but the members of Mr. McKinley's party in this House have turned to my entreaties a deaf ear. For years I have had pending in the Congress a bill to restore our merchant marine by a graduated system of tonnage taxes against foreign-built ships and in favor of American-built ships, but the Republican leaders in Congress would never allow the bill to be considered.

Sir, there is not a line in the Payne bill to restore the American merchant marine; and increase our revenue by taxing the carrying capacity of foreign-built ships in our deep-sea trade; and it is a matter of much regret that the few Republicans in Congress who control its affairs and dictate legislation seek to remedy the situation by ship subsidies, and hence earnestly favor a ship-subsidy bill, which is another phase of protection, but no remedy at all, only a mere temporary makeshift to rob the many for the benefit of the few by taking money out of the pockets of the taxpayers generally and giving it to a few favored individuals. I am opposed to this subsidy policy. It never has succeeded and it never will succeed in accomplishing the purpose desired. All history proves it conclusively. Wherever and whenever it has been tried it has failed. Ship subsidies are subversive of the eternal principles of justice and equality and in violation of the spirit of our institutions. The taxpayers of our country, burdened now almost beyond endurance, are opposed to ship protection in the guise of ship subsidies. They are opposed to any more graft bills. They say no private business interests should be aided by direct grants from the Treasury. They declare Congress has no power to subsidize

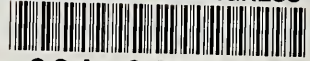
any trade or any calling or any business, on land or sea, at the expense of the taxpayers of our country.

Mr. Chairman, I urged the Ways and Means Committee when it was making up the Payne tariff tax bill to do something for the restoration of our shipbuilding industry; to do something to recover our deep-sea trade along the lines of a graduated system of tonnage taxes on foreign ships, but I am sorry to say the committee has done absolutely nothing for these important industries.

Sir, I am in favor of immediate action by Congress for the resumption of the shipping policy which prevailed under the first five Presidents of the Republic, and which brought forth and maintained the best merchant marine on the ocean without the cost of a cent to the American people. I denounce the Republican party for its willful neglect of our shipping in the foreign trade, having done nothing whatever for its revival since the civil war, except to connive at the passage of vicious subsidy bills, utterly useless for the object in view, and really in the interest of foreign nations. I am willing to go as far as any man in this country to legislate for the restoration of the American merchant marine to all its former glory and to secure for the American people their just share of the over-seas carrying trade of the world. I know, and every man who has investigated this subject knows, that our loss of deep-sea commerce is due entirely to the iniquitous legislation and short-sighted policies of the Republicans in the National Legislature. If the American Congress would legislate intelligently regarding this subject, we could restore our merchant marine, increase our revenues, and secure nine-tenths of all our commerce on the high seas, exports and imports, without a ship subsidy and without taking a single dollar from the pockets of the taxpayers to give bounties to favored shipowners.

This whole subject is a very simple matter when reduced to an intelligent business proposition. We do not need to take a dollar out of the Treasury of the United States to revive our shipbuilding industries or restore our merchant marine. All we need to do is to legislate intelligently, repeal the restrictive laws against our deep-sea shipping now on our statute books, put in their place laws similar to the navigation laws that were enacted by the early statesmen of the country—laws that built up our merchant marine in those historic days—laws that placed our flag on the high seas and gave us nine-tenths of our entire over-seas carrying trade, and we would do it if it were not for the greed and the selfishness of the shipping trust. [Applause on the Democratic side.]

Mr. Chairman, the Republicans contend, when we demand an equitable revision of unjust tariff-tax discriminations; that they are all in the interest of labor; that this exorbitant protection is for the benefit of the wage-earner; but every intelligent man in the country knows the absurdity of the proposition. Labor comes in free from every country on earth except China and Japan, and successfully competes here with the skilled labor of the world. Labor receives no protection. Tariff taxation has nothing to do with the price of labor. Capital is not charitable. Capital is selfish. Capital buys labor, like everything else, as cheaply as it can. Wages are



regulated by the inexorable law of supply and demand. Whenever you find two employers looking for one workman, wages will be high, and whenever you find two workmen looking for one employer wages will be low. When the demand is greater than the supply wages go up, and when the supply is greater than the demand wages go down. Tariff taxes have little or nothing to do with the price of labor. In all prosperous communities labor is sought and not turned aside.

Sir, I am now, always have been, and always will be, the friend of the American workingman; my record for fifteen years in this House testifies to the fact. The American wage-earner is the greatest producer of real wealth in all our country. He is the best artisan and the best mechanic on earth. Of course, he gets more wages than the foreign workman. And he should, because he can do more work and better work and in less time than the foreigner, and it costs the American workman at least twice as much to live here as it does the foreign workman to live in other countries. On an average during the past ten years the cost of living in the United States has increased 49 per cent, and wages have remained, with few exceptions, about the same. The American wage-earner pays from twice to twenty times as much for the necessities of life as the foreign wage-earner. In the end he can not save much. If the American workman is a little better off than the foreign workman he has no one to thank but himself, no agency to praise but his own ability, and no man to rely on for his improved condition but his loyal brothers in the trades unions of the country, which have done more than all other things combined to promote his progress, protect his interests, and benefit his welfare. [Applause.]

Let the toilers of the land who earn their bread in the sweat of their face ponder on these facts. They can not be successfully controverted. They are as true as the polar star and as fixed as the granite hills. The Republican doctrine that protection to American industries benefits the toilers is all moonshine. If that were its object, the selfish beneficiaries of protection would whistle it down the wind, and as a political policy it would soon be abandoned and disappear forever. [Long and loud applause on the Democratic side.]

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